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TSPIRS

Timber

Sale

Program

Information

Reporting

System

**Alaska
Region
1990**

United States
Department of
Agriculture

PREPARED BY
Forest
Service

Alaska Region
Leaflet
R10-MB-122



INTRODUCTION

The Timber Sale Program Information Reporting System (TSPIRS) presents three viewpoints of the forests timber program for 1990. Each viewpoint presents a different approach to measure the timber program; each stands on its own and is not cumulative. Forest plans provide the management direction for all Forest Service resource activities. TSPIRS is one monitoring tool for us to find out how well we are managing according to the plans. This report will be produced and available to the public on an annual basis.

BACKGROUND: Based on the public concern over the benefits and costs of timber sales, Congress directed the Forest Service to develop a system that would show all timber related benefits and costs. TSPIRS in an effort to improve the way information is developed and displayed to help public understanding of timber management. This reporting system was developed jointly with the General Accounting Office (GAO) and the Forest Service. It has been reviewed and approved by Congress.

PURPOSE: The purpose of the report is to display fiscal year 1990 financial benefits and cost information for the Alaska Region timber management program.

FORMAT: The reporting system consists of three reports which display costs and benefits of the Forests' timber management program.

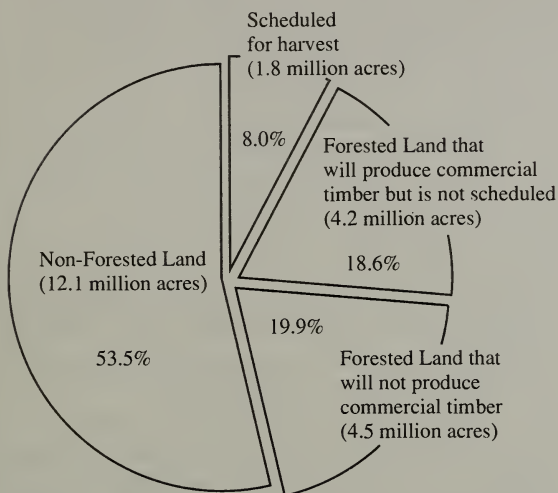
Descriptions of the three reports are listed below:

Report 1: Financial Report (revenues compared with costs) is similar to a private business profit and loss statement.

Report 2: Economic Report—long term benefits, effects, and costs expected from the acres harvested in 1990. This report is tied to Forest Plan data.

Report 3: Employment, Income and Program Report—current effects to local employment and income from harvest activities.

The following chart displays acres allocated for harvest over the next 100 years for all National Forests in Alaska as provided for in the current Forest Plans versus the total land base.



Summary - Alaska's National Forests: Timber harvest for 1990 was the highest level since 1981. Timber markets have remained strong in the Alaska Region.

REPORT 1 - FINANCIAL REPORT

Report 1 is an accounting report of the Alaska Region's timber management program for fiscal year 1990. This report displays revenues and costs developed by GAO and Forest Service cost centers.

I. REVENUES

Timber Sales	\$ 16,105,341
Purchaser Road Credit ^{1/}	20,175,165
Associated Charges ^{1/}	236,225
Interest and Penalties	113,242
Total Revenues	\$36,629,973

II. EXPENSES

Sale Administration	\$5,081,695
Sale Activity Allowance ^{1/}	9,014,615
Growth Activity Allowance ^{1/}	5,321,195
Facilities Depreciation	538,457
General Administration	4,964,118
Total Operating Expenses	\$24,920,080

Gain/ <Loss> Before Payments to State	\$11,709,892
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III. PAYMENT TO STATE ^{1/}	\$8,888,674
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Net Gain/ <Loss> From Timber Sales	\$2,821,218
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IV. VOLUME HARVESTED ^{2/} (In board feet)	471,634,000
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1/ See Glossary of Terms

2/ 400,000,000 board feet, net sawtimber

REPORT 2 - ECONOMIC REPORT

Report 2 provides the present net value of future benefits and costs on the acres harvested in 1990. This report gives a perspective for the future flow of timber and associated non-timber resource costs and benefits.

The Report 2 analysis is consistent with the analysis and decisions of the Forest Plan. Costs and prices have been updated as appropriate.

The values of benefits and costs in Report 2 have been discounted to the present to account for the time preference. The standard Forest Service discount rate of 4% was used.

For discounting timber outputs, the time span extends from the year following the reporting period through the harvest of all future regenerated stands. In addition to timber outputs, Report 2 includes estimates of the presented net value for non-timber outputs. The kinds and quantities of outputs associated with timber harvest is specified in the Forest Plan.

I. PRESENT VALUE BENEFITS

Timber	\$38,213,887
Recreation	94,838
Wildlife	456,453
Fisheries	2,100,866
Total Present Benefits	\$40,866,044

II. NEGATIVE EFFECTS

Wildlife	\$790,356
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III. INVESTMENT VALUE

Timber	\$19,745,018
Roads	16,628
Recreation	10,405
Wildlife	2,003
Fisheries	659,387
Total Investments	\$20,433,441

IV. PRESENT NET VALUE

	\$19,642,247
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REPORT 3 - EMPLOYMENT & INCOME REPORT AND RELATED PROGRAM ACCOMPLISHMENTS

Report 3 displays the effects the 1990 harvest had upon local employment and income.

I. EMPLOYMENT

Total Jobs	4,095
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II. LOCAL FISCAL EFFECTS

Total Personal Income	\$136,364,000
Fed. Inc. Tax Generated	\$25,909,000
Cumulative Value to	
Local Communities	\$562,450,000
25% Fund Payment to State	\$8,888,674

III. TIMBER PROGRAM ACCOMPLISHMENTS

Volume (in board feet):	
Offered-net sawlog vol. ^{1/}	334,300,000
Sold-net sawlog vol.	286,513,000
Harvested-net sawlog vol.	399,000,000
-utility ^{1/}	72,000,000
-fuelwood	1,000,000
Total Harvest	472,000,000
-free fuelwood	2,000,000
Regeneration Treatment (acres)	8,128
Timber Stand Improvement	2,792
(acres)	
Total Area Harvested (acres)	14,234

IV. MILES OF ROADS TO SUPPORT TIMBER PROGRAM

Appropriated	32
Purchaser Credit	123
Total	155

1/ See Glossary of Terms

Glossary of Terms

Associated Charges. These are cash collections from the purchaser required or allowed by the timber sale contract and include deposits made for brush disposal, road maintenance, and erosion control. Cooperative deposits, liquidated damages and default payments are other possible associated charges.

Cost Pools. This cost accounting system uses two cost pools to accumulate certain costs. The cost pools are ways to capture different types of multi-year costs and allow them to be matched against revenues. The two cost pools are;

Sale Activity Allowance is composed of the following activities: Timber Planning, Silviculture Examinations, Sale Preparation, Other Resource Support, Timber Salvage Sale Fund, Brush Disposal, KV Reforestation, Co-op Road Maintenance, and Transportation Planning. Current actual costs for these activities are added to the pool each year and then depleted from the pool and allocated to the current fiscal year according to the formula: $\text{Sale Activity Pool Allowance} = (\text{Volume Harvest} \times \text{Current Year Pool Balance}) / (\text{Volume Under Contract} + \text{Volume Harvested})$.

Growth Activity Allowance is composed of the following activities: Appropriated Reforestation, Appropriated Stand Improvement, Nursery Management, Genetic Tree Improvement, KV Stand Improvement, Timber Road Design and Construction, and Purchaser Credits Established. Current actual costs from these activities are added to the pool each year and then depleted from the pool and allocated to the current fiscal year according to the formula: $\text{Growth Activity Pool Allowance} = (\text{Volume Harvested} \times \text{Current Year Pool Balance}) / (\text{Total Volume Over Average Rotation Period})$.

Purchaser Road Credit. Credit earned by the timber purchaser that is applied to stumpage charges above base rates and is considered revenue. Purchaser road credit is determined by a Forest Service engineer's estimate. This amount is reflected in the timber sale contract.

Payments to States. A fund consisting of approximately 25 percent of the gross annual timber receipts received by the National Forests. This is returned to the State for use on roads and schools.

Regeneration Treatment. Treatments and activities that relate to the reestablishment of stands of trees. Includes planting, seeding, and preparing the ground for seed-in from adjacent stands where ground preparation is not necessary.

Net Sawlog Volume. Trees suitable in size and quality for processing into lumber. In Southeast Alaska, depending on the market, the volume may be processed as pulp or lumber.

Utility (Pulp) Volume. Logs that do not meet minimum requirements for sawtimber but are suitable for the production of usable pulp chips.

This Summary is based upon technical documents on file at the Regional Forester's Offices. For more information contact:

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